



Memorandum

DATE: Wednesday September 26, 2017
TO: Interested Stakeholders
FROM: Affordable Housing and Sustainable Communities (AHSC) Program Staff
RE: Inclusion of August Auction Proceeds in Third Round Funding Cycle of AHSC

AHSC Program Staff across the Strategic Growth Council (SGC), Department of Housing and Community Development (HCD), and Air Resources Board (ARB) would like to announce that August Cap-and-Trade auction proceeds will be included in the Third Round of the Affordable Housing and Sustainable Communities Program (AHSC). This inclusion will increase the amount of funding available from \$155 million to approximately \$255 million. The Notice of Funding Availability (NOFA) will still be released on October 2, 2017, and applications will still be due January 16, 2018.

Implications for the 2017-2018 NOFA and Application

This decision will have implications beyond the amount of funding included in the NOFA. In 2016, the Legislature passed and the Governor signed Assembly Bill (AB) 1550 (Gomez, Chapter 369, Statutes of 2016), increasing the percent of funds for projects located in and benefiting disadvantaged communities and adding a focus on investments in low-income communities and low-income households.

ARB staff are updating the Funding Guidelines for Agencies that Administer California Climate Investments (Funding Guidelines) to reflect AB 1550, other legislative updates, lessons learned from program implementation to date, and feedback from stakeholders. ARB staff released the Draft Funding Guidelines on August 4th, 2017 and anticipates adopting final Funding Guidelines after the release of the NOFA.

AHSC program staff have made a good faith effort to incorporate requirements set forth in the Draft Funding Guidelines into the NOFA and application, including those related to AB 1550. After the Funding Guidelines are finalized, AHSC program staff will work to include any additional requirements, as feasible/to the extent possible, and will build them into the program guidelines for future funding cycles. The Draft Funding Guidelines provide criteria to evaluate whether a project provides a benefit to a Disadvantaged Community, Low-Income Community, or Low-Income Household. These criteria are described and included in the AHSC application as a required attachment. All applicants will be asked to provide this attachment as a part of their application to demonstrate if the Capital Project or Program Costs within the Project benefit AB 1550 populations. A Project that is located in and provides benefits to a Disadvantaged Community or Low-Income Community may receive priority for funding in order to meet the AHSC Program Disadvantaged Community and Low-Income Community funding requirements.



Update to AHSC Calculator Tool & Quantification Methodology

In addition, Draft Revised AHSC Calculator Tool has been updated to include a new co-benefit summary tab to enable the Strategic Growth Council the ability to report on key variables and air pollutant emission estimates from investments per Draft 2017 CARB Funding Guidelines. Applicants will need to complete the Final Revised AHSC Calculator Tool; however, no additional inputs are required and GHG scores will not be impacted. ARB is accepting public comments on the Draft Revised AHSC Quantification Methodology and Draft Revised AHSC Calculator Tool for Fiscal Year (FY) 2016-17 until September 29, 2017 via GGRFProgram@arb.ca.gov. The Final Revised AHSC Quantification Methodology and AHSC Calculator Tool will be available on the ARB quantification website at www.arb.ca.gov/cqi-quantification.

AHSC program staff is excited about the additional funding for the current cycle and look forward awarding more projects. Please address all questions to AHSC@sgc.ca.gov and look to attend one of the six application workshops across the state in October. The dates and locations of these workshops are included below. For more information on the workshops please visit http://sgc.ca.gov/pdf/AHSC_Workshops_2017-9.pdf.

- Monday, October 2, 2017 – Sacramento
 - Wednesday, October 4, 2017 – Fresno
 - Thursday, October 5, 2017 – San Francisco
 - Tuesday, October 10, 2017 – Los Angeles
 - Wednesday, October 11, 2017 - Riverside
 - Thursday, October 12, 2017 – San Diego
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